Copyright Board of Canada

2014-15

Departmental Performance Report

The Honourable Navdeep Singh Bains, P.C., M.P.

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Internet: http://publications.gc.ca

PWGSC Catalogue no.: Iu121-1E-PDF
ISSN: 2369-4416

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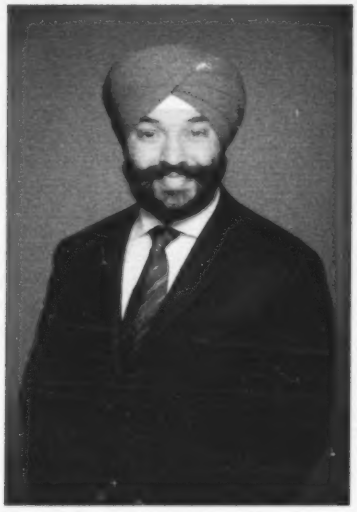
Minister's Message

We are pleased to report on the Copyright Board of Canada's key activities in 2014-15.

Our overarching goals within the Innovation, Science and Economic Development portfolio are to help Canadian businesses grow, innovate and export so that they can spur economic development and create good quality jobs and wealth for Canadians in all regions across the country; to help small businesses grow through trade and innovation; to promote increased tourism to Canada; to promote and support scientific research and the integration of scientific considerations in our investment and policy choices. We are committed to working closely with colleagues and stakeholders from all of these diverse fields to achieve these objectives.

In 2014-15, the Copyright Board of Canada held hearings, issued decisions and certified tariffs related to the use of recorded music in Internet webcasts or in relation to fitness activities; the communication to the public of musical works by online audiovisual services as well as in respect of user-generated content and concerts; the private copying of recorded music; and the use of works and communication signals by media monitors. The Board also issued licences for the use of works when the Copyright owner could not be located.

We are pleased to present the 2014-15 Departmental Performance Report for the Copyright Board of Canada.



The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism

Section I: Organizational Expenditure Overview

Organizational Profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

- The Honourable James Moore, P.C., M.P. (responsible Minister for 2014–15)

Minister of Science:
The Honourable Kirsty Duncan, P.C., M.P.

Minister of Small Business and Tourism:
The Honourable Bardish Chagger, P.C., M.P.

Deputy Head:
Claude Majeau, Vice-Chairman and CEO

Ministerial portfolio:
Innovation, Science and Economic Development

Year established: 1989

Main legislative authority: *Copyright Act*[i]

Note: In November 2015, the Portfolio Department's name was changed to Innovation, Science and Economic Development Canada.

Organizational Context

Raison d'être

The Board is an economic regulatory body empowered to establish, either mandatorily or at the request of an interested party, the royalties to be paid for the use of copyrighted works, when the administration of such copyright is entrusted to a collective-administration society. The Board also has the right to supervise agreements between users and licensing bodies and issues licences when the copyright owner cannot be located.

Responsibilities

The responsibilities of the Copyright Board under the *Copyright Act* (the "*Act*") are to:

- certify tariffs for
  - the public performance and the communication to the public by telecommunication of musical works and sound recordings;
  - the doing of any protected act mentioned in sections 3, 15, 18 and 21 of the *Act*, such as the reproduction of musical works, of sound recordings, of performances and of literary works; and,

- the retransmission of distant television and radio signals or the reproduction and public performance by educational institutions, of radio or television news or news commentary programs and all other programs, for educational or training purposes.

- set levies for the private copying of recorded musical works;

- set royalties payable by a user to a collective society, when there is disagreement on the royalties or on the related terms and conditions;

- rule on applications for non-exclusive licences to use published works, fixed performances, published sound recordings and fixed communication signals, when the copyright owner cannot be located;
- examine agreements made between a collective society and a user which have been filed with the Board by either party, where the Commissioner of Competition considers that the agreement is contrary to the public interest;

- receive such agreements with collective societies that are filed with it by any party to those agreements within 15 days of their conclusion;

- determine compensation to be paid by a copyright owner to a person to stop her from performing formerly unprotected acts in countries that later join the *Berne Convention*, the *Universal Convention* or the *Agreement establishing the World Trade Organization*; and,

- conduct such studies with respect to the exercise of its powers as requested by the Minister of Industry.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: Fair decision-making to provide proper incentives for the creation and use of copyrighted works

1.1 Program: Copyright Tariff Setting and Issuance of Licences

Internal Services

Organizational Priorities

Priority	Type[1]	Strategic Outcome
Ensure timely and fair processes and decisions	Ongoing	Fair decision making to provide proper incentives for the creation and use of copyrighted works

Summary of Progress
The requirement to have timely decisions is expressly stated in the *Act*: the Board is to certify and publish tariffs "as soon as is practicable." The requirement to have fair processes and decisions is implicit: the *Act* gives the Board the powers, rights and privileges of a superior court; as such, the Board is required to follow the principles of natural justice which, taken together, ensure both fair processes and fair outcomes. In 2014-15, the Board took several steps which resulted in a reduction of the regulatory burden. For instance, the Board held combined hearings for the tariffs of SOCAN, CSI and SODRAC pertaining to online music services. This contributed to cost savings for the participants. In 2012-13, the Board established a Working Committee on its Operations, Procedures and Processes. The Committee, comprised of key stakeholders, examines possible improvements to the Board's rules of practice and procedure, with a view to reducing uncertainty and streamlining the procedures while safeguarding the fairness of the process. In December, 2014, the committee finalized a discussion paper dealing with the identification and disclosure of issues to be addressed during a tariff proceeding and with the interrogatory process. The paper was released for public consultations in February, 2015. Consultations were ongoing at the end of the reporting period. After reviewing the comments and responses received, the Board will make public the changes it will implement. The Board gathers data on the number of months between the date when a particular tariff proceeding is complete, and the date when the tariff is certified. In the Report of Plans and Priorities (RPP) for 2014-15, a target of 12 months was set, with a complying percentage of 70 per cent. Nine decisions were rendered by the Board during fiscal year 2014-15, of which seven were final decisions and two were interim decisions. Of these nine decisions, seven (or 78 per cent) were issued within 12 months of completion of the proceedings. Hence, our target was successfully met. In addition, pursuant to section 77 of the *Act*, the Board may grant licences that authorize the use of a published work, a fixation of a performer's performance, a published sound recording, or a fixation of a communication signal if the copyright owner cannot be located. The Board's

[1] Type is defined as follows: previously committed to – committed to in the first or second fiscal year prior to the subject year of the report; ongoing – committed to at least three fiscal years prior to the subject year of the report; and new – newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

objective with respect to this activity is to issue licences in a timely manner. Therefore, data is also gathered on the number of months between the date when a particular licence file is complete, and the date of issuance of the licence. In the RPP for 2014-15, a target of 45 days was set between the file completion date and the issuance of the licence, to be met in at least 70 per cent of the files.

Seven licences were delivered during fiscal year 2014-15. Six of these seven licences, or 86 per cent, were issued within 45 days. Our target was thus successfully met.

Priority	**Type**	**Strategic Outcome**
Advance the analytical framework for decisions and the regulatory processes for tariff-setting	Ongoing	Fair decision-making to provide proper incentives for the creation and use of copyrighted works

Summary of Progress

The Board is required, under the *Act*, to give reasons for its decisions. In keeping with the modern principles of judicial review, the Federal Court of Appeal typically defers to the Board's expert understanding of the facts before it. The Board can only maintain this deference by constantly advancing its analytical frameworks.

As a key tool in addressing the challenges of changing technology and the impact of global events, the Board is encouraging the active participation of its staff and Members in international initiatives, events and conferences. By discussing and comparing experiences across different countries, the Board can gain early warning of significant developments and their likely impacts on the Canadian situation.

Among the international conferences of copyright specialists which the Board Members and staff attended in 2014-15, the following is noteworthy: the Congress of the *Association littéraire et artistique internationale* (ALAI) (Brussels, September 2014). The Board was also represented at numerous similar national meetings in Canada. The rationale for the Board's "screening" activities is to identify and assess industry trends.

Priority	**Type**	**Strategic Outcome**
Improve management practices	Ongoing	Fair decision-making to provide proper incentives for the creation and use of copyrighted works

Summary of Progress

In fiscal year 2014-15, the Board worked on developing an enhanced capacity to forecast its total expenditures at the beginning of a fiscal year and to follow up on actual expenses throughout the year. The objective was also to better link this information with the financial transaction data arising out of IFMS.

In addition, the Board continued to develop and implement key IM/IT initiatives in support of

business development and enhancement activities.

The Board continued to progress on all public service renewal commitments that respond to challenges related to planning, engagement, recruitment, building capacity, and providing supportive human resource management architecture. Accomplishments include a more integrated, inclusive and horizontal approach to planning.

Risk Analysis

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Technology risk	• Systematically monitor relevant journals, other publications and web sites, and to attend industry seminars and conferences. • Risk was identified in the 2014-15 RPP. • No modifications to the risk mitigation strategies.	Fair decision-making to provide proper incentives for the creation and use of copyrighted works.
Reversal risk	• Issue fair and equitable decisions. • Risk was identified in the 2014-15 RPP. • No modifications to the risk mitigation strategies.	Fair decision-making to provide proper incentives for the creation and use of copyrighted works.
HR risk	• Run well-organized job competitions, designed to target a significant share of the pool of potential candidates. • Take measures to encourage a large number of applications. • Create a stimulating working environment conducive to a high retention rate among its employees. • Risk was identified in the 2014-15 RPP. • No modifications to the risk mitigation strategies.	Fair decision-making to provide proper incentives for the creation and use of copyrighted works.

Among the most significant risks which the Board faces in achieving its strategic outcomes is the potentially disruptive impact of new technologies (i.e., in terms of how copyright material is utilized, distributed and monitored). The Board's approach to managing the technology risk is to systematically monitor relevant journals, other publications and web sites, and to attend industry seminars and conferences, as described before in this report.

A smaller risk, which the Board faces in achieving its strategic outcome, is reversal risk. While decisions of the Board are not appealable, they are subject to judicial review. The ability to schedule a number of cases in a year could be impaired if a case from a previous year were reversed on judicial review. The Board's principal strategy to mitigate this risk is issuing fair and equitable decisions.

There is always a risk of not being able to hire or retain the staff with the necessary technical expertise to achieve required results. To mitigate this risk, the Board runs well-organized job competitions, designed to target a significant share of the pool of potential candidates. The Board also takes measures to encourage a large number of applications. The Board also works at

creating a stimulating working environment conducive to a high retention rate among its employees.

Actual Expenditures

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
3,116,312	3,116,312	3,276,294	3,069,506	46,806

Human Resources (Full-Time Equivalents [FTEs])

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
14	14	0

Budgetary Performance Summary for Strategic Outcome and Program (dollars)

Strategic Outcome Program and Internal Services	2014-15 Main Estimates	Planned Spending			2014-15 Total Authorities Available for Use	Actual Spending (authorities used)		
		2014-15	2015-16	2016-17		2014-15	2013-14	2012-13
Copyright Tariff Setting and Issuance of Licences	2,524,213	2,524,213	2,519,678	2,514,758	2,653,798	2,486,300	2,251,535	2,032,160
Strategic Outcome Sub-Total	2,524,213	2,524,213	2,519,678	2,514,758	2,653,798	2,486,300	2,251,535	2,032,160
Internal Services Sub-total	592,099	592,099	591,035	589,882	622,496	583,206	528,137	476,679
Total	3,116,312	3,116,312	3,110,713	3,104,640	3,276,294	3,069,506	2,779,672	2,508,839

Alignment of Spending With the Whole-of-Government Framework

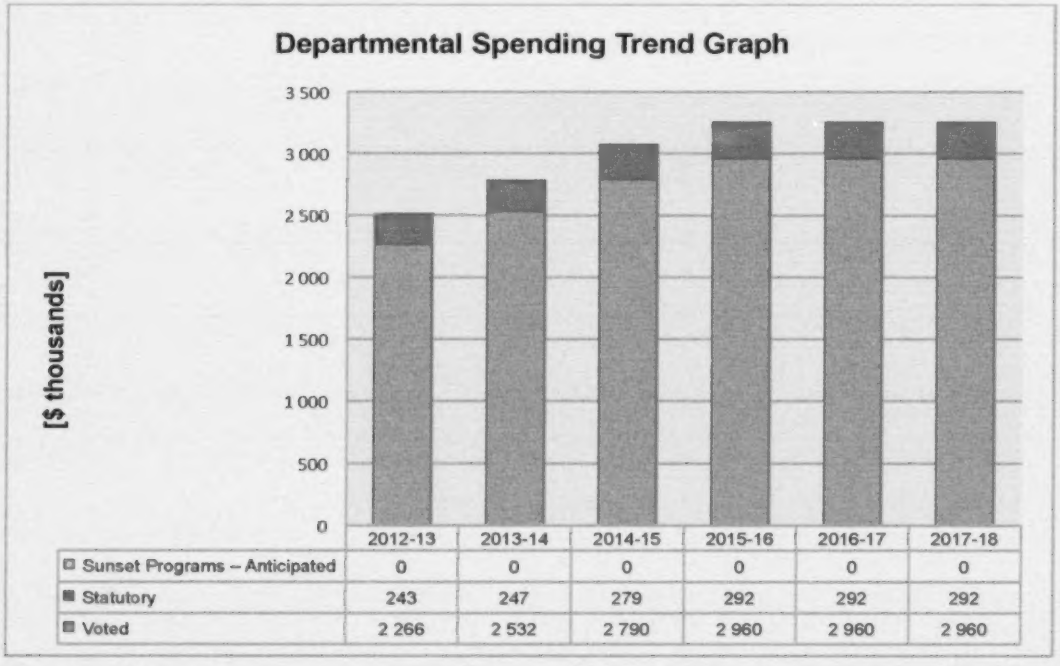
Alignment of 2014-15 Actual Spending with the *Whole-of-Government Framework*[ii] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014-15 Actual Spending
Fair decision-making to provide proper incentives for the creation and use of copyrighted works	Copyright Tariff Setting and Issuance of Licences	Economic Affairs	An innovative and knowledge-based economy	2,486,300

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	2,524,213	2,486,300
Social Affairs		
International Affairs		
Government Affairs		

Departmental Spending Trend



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	243	247	279	292	292	292
Voted	2 266	2 532	2 790	2 960	2 960	2 960

Actual spending for the year 2014-15 was at about $3 million, an increase of about $200,000 over the preceding year. This was due to higher spending on equipment. Planned spending is increasing in 2015-16, due to additional staffing planned.

Expenditures by Vote

For information on the Copyright Board of Canada's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*[iii] which is available on the Public Works and Government Services Canada website.[iv]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: *Fair decision-making to provide proper incentives for the creation and uses of copyrighted works*

The achievement of this outcome relates to innovation, which is a main source of competitive advantage in all areas of economic activity.

The use and re-use of cultural and entertainment content (such as musical and audio-visual works) have become widespread with the advent of new media and online services, new playback and editing technologies and new uses in conventional media. These matters relate to some of society's most complex and contentious issues, including the downloading of content over the Internet using file-sharing software and the proliferation of duplication technologies which have the capability to make digital copies. At the same time, new opportunities for streaming video and audio files, whether interactively, semi-interactively, or passively have emerged. Personal video recorders and other similar devices used in conjunction with television sets have begun to blur lines between the broadcasting sector and the entertainment rental/purchase sector. Personal digital audio recorders have the capacity to store entire libraries of music, literally thousands of songs. It is in this environment that the Board must operate to achieve its strategic outcome.

The Copyright Board of Canada recognizes the need to ensure an effective and efficient copyright regulatory regime in order to attain the maximum productivity in those sectors that create and use copyrighted works. Further, the performance of the Copyright Board will promote a fair and competitive marketplace as well as reasonable opportunities for Canadian firms to export copyright protected goods and services in the music, for content creation and programming areas, as well as for the broadcasting, publishing and entertainment industries.

Program: *Copyright Tariff Setting and Issuance of Licences*

This activity is in direct relation to the Board's mandate, the first part of which is to establish, either mandatorily or at the request of an interested party, the royalties to be paid for the use of copyrighted works, when the administration of such copyright is entrusted to a collective-administration society. This part of the mandate is delivered through the setting of copyright tariffs.

The second part of the Board's mandate is to issue licences when the copyright owner cannot be located.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
2,524,213	2,524,213	2,653,798	2,486,300	37,913

Human Resources (Full-Time Equivalents [FTEs])

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
11	11	0

Performance Results

Program: Copyright Tariff Setting and Issuance of Licences			
Expected Results	**Performance Indicators**	**Targets**	**Actual Results**
Fair and Equitable Tariffs and Conditions	1. Percentage of tariff decisions published within 12 months	70% of tariff decisions will be published within one year	78% of tariff decisions were published within one year
	2. Percentage of licences issued within 45 days	70% of licences will be issued within 45 days	86% of licences were issued within 45 days
	3. Level of satisfaction of stakeholders	70% satisfaction rate	Satisfaction rate of 72%

Performance Analysis and Lessons Learned

What follows is a brief description of the activities of the Board for this fiscal year.

Tariff Proposed by Collectives Societies

In March 2015, the following collective societies filed their proposed statements of royalties to be collected in 2016 and beyond:

Access Copyright

- Proposed tariff for the reprographic reproduction of works by employees of educational institutions, 2016-2019

Artisti

- Proposed tariff for the fixation of performances and the reproduction and distribution of performances fixed by performers in the form of phonograms, 2016-2018
- Proposed tariff for making available to the public and for the reproduction, in Canada, of performances fixed in a sound recording by online music services, 2016-2018

CMRRA

- Proposed tariff for the reproduction of musical works embodied in music videos by online music services, 2016 (Tariff 4)
- Proposed tariff for the reproduction of musical works by commercial television stations, 2016 (Tariff 5)
- Proposed tariff for the reproduction of musical works by the Television Services of the Canadian Broadcasting Corporation, 2016 (Tariff 6)
- Proposed tariff for the reproduction of musical works by audiovisual services, 2016 (Tariff 7)

CSI

- Proposed tariff for the reproduction of musical works by commercial radio stations, 2016
- Proposed tariff for the reproduction of musical works by non-commercial radio stations, 2016
- Proposed tariff for the reproduction of musical works by online music services in 2016

SOCAN

- Proposed tariffs for the public performance or the communication to the public by telecommunication of musical or dramatico-musical works, 2016:
    - Tariff 1.A – Commercial Radio
    - Tariff 1.B – Non-Commercial Radio
    - Tariff 1.C – CBC Radio
    - Tariff 2.A – Commercial Television Stations
    - Tariff 2.B – Ontario Educational Communications Authority

- Tariff 2.C – Société de télédiffusion du Québec
- Tariff 2.D – Canadian Broadcasting Corporation
- Tariff 6 – Motion Pictures Theatres
- Tariff 9 – Sports Events
- Tariff 15.A – Background Music in Establishments not Covered by Tariff No. 16 – Background Music
- Tariff 15.B – Background Music in Establishments not Covered by Tariff No. 16 – Telephone Music on Hold
- Tariff 16 – Background Music Suppliers
- Tariff 17 – Transmission of Pay, Specialty and Other Television Services by Distribution Undertakings
- Tariff 22 – Internet
- Tariff 24 – Ringtones and Ringbacks
- Tariff 26 – Pay Audio Services

- Proposed tariffs for the public performance or the communication to the public by telecommunication of musical or dramatico-musical works, 2016-2018:

  - Tariff 25 – Satellite Radio Services

SODRAC

- Proposed tariff for the reproduction of musical works embedded into cinematographic works for the purpose of distribution of copies of the cinematographic works for private use or theatrical exhibition, 2016 (Tariff 5)
- Proposed tariff for the reproduction of musical works embedded in musical audiovisual works for their transmission by a service, 2016 (Tariff 6)
- Proposed tariff for the reproduction of musical works embedded in audiovisual works for their transmission by a service, 2016 (Tariff 7)

Re:Sound

- Proposed tariff for the communication to the public by telecommunication and the performance in public of published sound recordings embodying musical works and performers' performances of such works by commercial radio simulcasts, 2016-2017 (Tariff 1.A.2)
- Proposed tariff for the communication to the public by telecommunication and the performance in public of published sound recordings embodying musical works and performers' performances of such works by the Canadian Broadcasting Corporation (CBC) simulcasts, 2016 (Tariff 1.C.2)
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works by pay audio services simulcasts, 2016 (Tariff 2.B)
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works by multi-channel subscription satellite radio services simulcasts, 2016-2018 (Tariff 4.B)
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works in

respect of the use of music to accompany live events, 2016-2020 (Tariff 5.A-J)
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works in respect of the use of recorded music to accompany dance, 2016-2018 (Tariff 6.A)
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works in respect of the use of recorded music to accompany adult entertainment, 2016-2018 (Tariff 6.C)
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works in respect of non-interactive and semi-interactive webcasts, 2016 (Tariff 8)

Request for Arbitration

The Board did not receive any request for arbitration in the year 2014-15.

On May 26, 2014, SODRAC informed the Board that it had reached an agreement with Bell Media inc. On July 14, 2014, SODRAC also informed the Board of an agreement reached with Corus Entertainment inc. Pursuant to subsection 70.3(1) of the *Act*, the Board did not proceed with the examination of these applications.

Hearings

During the fiscal year, the Board held two hearings. The first concerned the communication to the public by telecommunication and the reproduction of musical works by online music services. This hearing took place in November 2013, and final arguments were made in May 2014. The parties participating in the hearing were SOCAN, CSI, SODRAC, Apple Canada Inc. and Apple Inc., the Canadian Association of Broadcasters, Bell Canada, Rogers Communications, Quebecor Media Inc., TELUS, Videotron G.P., and Pandora Media Inc.

The second hearing concerned the reproduction rights of literary works by elementary and secondary schools. The hearing took place in April and May of 2014 and final arguments were heard in September 2014. The parties involved were Access Copyright and a number of education departments as well as school boards, represented as a single objector.

Decisions

During the fiscal year 2014-15, the following nine decisions in respect of the indicated collective society and tariff were rendered:

Canadian Broadcasters Rights Association (CBRA)

- August 8, 2014 – CBRA Tariff for the Fixation and Reproduction of Works and Communication Signals, in Canada, by Commercial and Non-Commercial Media Monitors, 2011-2016

Canadian Private Copying Collective (CPCC)

- December 12, 2014 – Private copying, 2015-2016

Re:Sound

- April 17, 2014 – Re:Sound Tariff No. 6.B – Use of Recorded Music to Accompany Fitness Activities (2008-2012) [Interim Decision]
- May 16, 2014 – Re:Sound Tariff No. 8 – Non-interactive and semi-interactive webcasts, 2009-2012
- March 27, 2015 – Re:Sound Tariff No 6.B – Use of Recorded Music to Accompany Fitness Activities (2008-2012) [Redetermination]

Society of Composers, Authors and Music Publishers of Canada (SOCAN)

- July 18, 2014 – SOCAN Tariffs 22.D.1 (Audiovisual webcasts) and 22.D.2 (Audiovisual user-generated content), 2007-2013
- July 25, 2014 – SOCAN Tariff 4 (Concerts), 2009-2014
- November 29, 2014 – SOCAN Tariffs 22.D.1 (Audiovisual webcasts) and 22.D.2 (Audiovisual user-generated content), 2007-2013 - *Erratum*

Society for Reproduction Rights of Authors, Composers and Publishers in Canada (SODRAC)

- November 27, 2014 – SODRAC v. ARTV

Unlocatable Copyright Owners

The Board received 29 licence applications and 7 licences were granted.

Agreements Filed with the Board

Pursuant to section 70.5 of the *Act,* 137 agreements were filed with the Board.

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
592,099	592,099	622,496	583,206	8,893

Human Resources (Full-Time Equivalents [FTEs])

Planned 2014-15	Actual 2014-15	Difference 2014-15
3	3	0

Performance Analysis and Lessons Learned

This activity deals with financial and materiel management policies, systems, processes and standards. In implementing these policies, compliance with Parliament's requirements for financial stewardship and integrity is ensured. This activity also encompasses the responsibility of providing human resource services.

The Board receives timely support from the services mentioned above.

Section III: Supplementary Information

Financial Statements Highlights

Copyright Board of Canada
Condensed Statement of Operations and Departmental Net Financial Position (Unaudited)
For the Year Ended March 31, 2015
(dollars)

	2014-15 Planned Results	2014-15 Actual	2013-14 Actual	Difference (2014-15 actual minus 2014-15 planned)	Difference (2014-15 actual minus 2013-14 Actual)
Total expenses	3,116,312	3,069,506	2,779,672	(46,806)	289,834
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	3,116,312	3,069,506	2,779,672	(46,806)	289,834

For fiscal year 2014-15, the Board's total actual expenses are $3 million, an increase of about $200,000 from last year. This is mainly a reflection of higher machinery and equipment expenses.

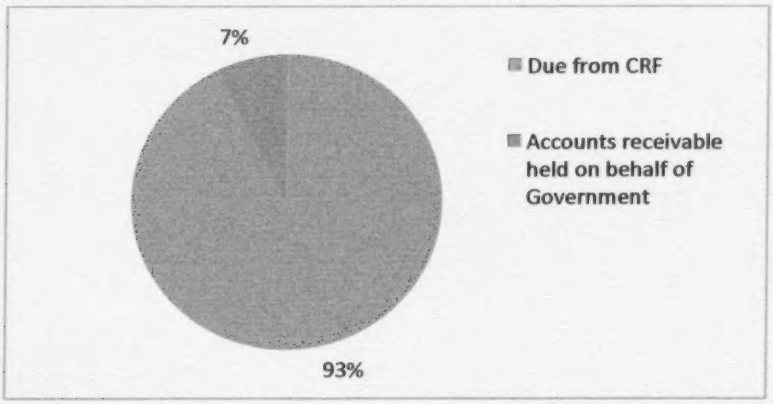
Copyright Board of Canada
Condensed Statement of Financial Position (Unaudited)
As at March 31, 2015
(dollars)

	2014-15	2013-14	Difference (2014-15 minus 2013-14)
Total net liabilities	639,287	318,136	321,151
Total net financial assets	388,893	94,474	294,419
Departmental net debt	250,394	223,662	26,732
Total non-financial assets	-	9,980	(9,980)
Departmental net financial position	**(250,394)**	**(213,682)**	**(36,712)**

The Board's net financial position for fiscal year 2014-15 is at -$250,000, a decrease of about $37,000 compared to 2013-14. This is mainly a result of an increase in the Board's net debt.

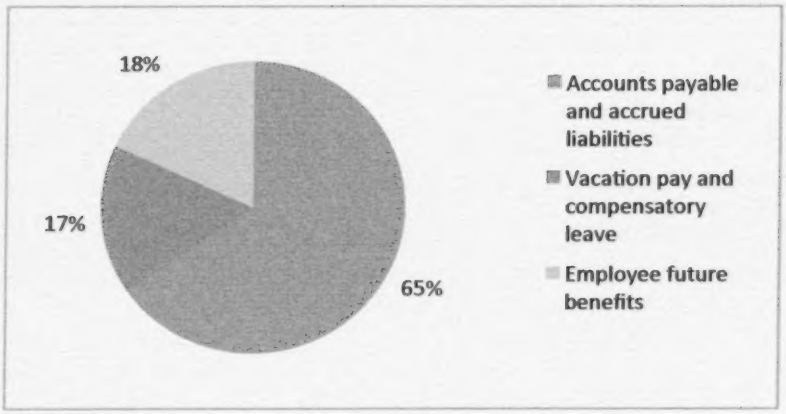
Financial Highlights Graphs

Assets by Type



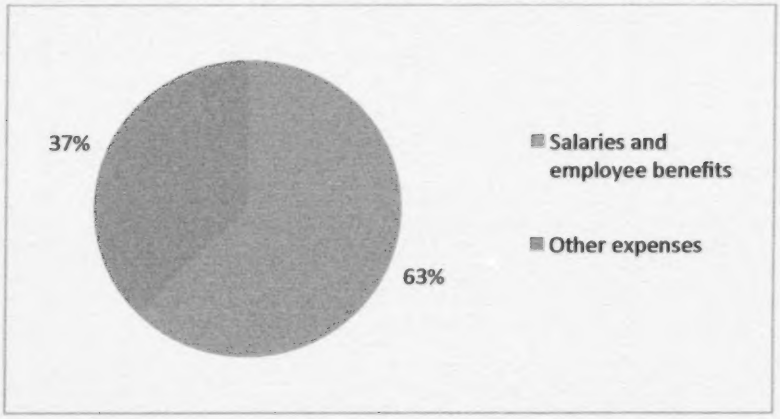
Total assets are valued at about $420,000 in fiscal year 2014-15. This is due from CRF (93% or $389,000) and accounts receivable held on behalf of Government (7% or $31,000).

Liabilities by Type



Total liabilities are valued at about $639,000 for fiscal year 2014-15. This is mostly made up of accounts payable and accrued liabilities (65% or $418,000), employee future benefits (18% or $115,000) and vacation pay and compensatory leave (17% or $106,000).

Expenses by Type



For fiscal year 2014-15, total expenses are $3.5 million. These expenses are made up of salaries and employee benefits (63% or $2.2 million) and operating expenses (37% or $1.3 million). The majority of these latter expenses are required for the Board's unique program activity. The balance is made up of expenses associated with internal services.

Financial Statements

The Board's financial statements can be found on the Board's website at *Financial Statements*[v].

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[vi] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that

receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] *Copyright Act*: http://laws-lois.justice.gc.ca/eng/acts/C-42/index.html
[ii] Whole-of-government framework: http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx
[iii] Public Accounts of Canada 2012: http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html
[iv] Public Works and Government Services Canada website: http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html
[v] Copyright Board of Canada Financial Statements: http://cb-cda.gc.ca/about-apropos/annual-annuel/2014-2015-financial-statements-etats-financiers-e.html
[vi] Tax Expenditures and Evaluations: http://www.fin.gc.ca/purl/taxexp-eng.asp